

Department of Water Management 2013 Budget Hearing

Good morning Chairman Austin, members of the Committee on Budget and Government Operations and members of the City Council. I would like to thank you for the opportunity to present to you the Department of Water Management's 2013 Budget.

Last year I committed to positioning the Department in a way that gets us back on track with: replacing infrastructure at the original pace of water and sewer main installation; conserving water for future growth; upgrading and maintaining our facilities; and creating more jobs. I am proud to state that the Department is on pace to install 70 miles of water main, replace 17 miles of sewer main, reline 47 miles of sewers, reline 14,000 sewer structures, replace the 10 acre roof at the Jardine Water Purification Plant, and convert the Springfield Avenue Pumping Station from steam to electric power. In addition the Department will install more than 10,000 free water meters as part of the MeterSave Program. All of these projects amount to approximately 348 million dollars. I could not be prouder of the women and men that work for the Department that helped to put our plans into reality.

Daily we strive to meet the mission of our Department: to protect the public health in the most environmentally and fiscally responsible manner by delivering a sufficient supply of exceptional quality water and efficiently managing waste and storm-water. We are committed to providing the highest level of professional services to meet our customers' needs now and for future generations.

The Department of Water Management, through our operations at the Jardine and South Water Purification Plants, purifies on average about 800 million gallons of water a day. In addition to purifying water at the two largest conventional treatment plants in the world, the department also operates 12 pumping stations that distribute water through more than 4,400 miles of water mains. On the sewer side, the department is responsible for transmission of waste water through more than 4,500 miles of sewer mains to the Metropolitan Water Reclamation District.

We provide water service to 2.7 million customers in Chicago and 2.6 million customers in 125 surrounding suburbs. On a daily basis, 5.3 million customers, or 41% of the state of Illinois, depend on our infrastructure for clean, safe drinking water.

When you have that many people depending on you for something as vital as water service, it is essential to make sure that everything is timely replaced, well maintained and properly operating. That means anticipating and addressing issues before they become problems. In other words, the Department is being more proactive rather than reactive, with a goal to be a completely proactive department. To do this we must continue our aggressive infrastructure renewal and capital improvements while maintaining and improving daily operations and repairs. We must stay current with the latest technologies and best business practices while being mindful of the current economy and environment.

Having been given a clear mandate from the Mayor and City Council to rebuild our aging infrastructure, last fall, we started our planning for the next 10 years. We worked to make sure everything was in place to be able to conduct topographic studies and engineering designs. We continue to coordinate with other departments, your ward offices, utilities and agencies, to identify opportunities for collaboration. We are utilizing best practices and technology to deliver high quality construction in an efficient manner.

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Working with Labor Relations, the Budget Office and the Department of Human Resources, we met with the Unions to find ways to get our residents back to work. We created seasonal titles for plumbers, laborers, and bricklayers. In this way, we are better able to manage our workforce needs and stay competitive with construction companies. I am pleased to say that this year we hired or promoted 226 residents of the City, including 75 laborer apprentices.

The Department worked with Local 1092 Laborer's Union to initiate an apprentice program. We created a new job title, Laborer's Apprentice and a two year training program. At the start of the program and every 6 months during these two years, the Union will be providing two-weeks of training at its facility at no cost to the City. The training curriculum is established and approved by the City. As an aside, after we posted the 75 positions the City received 14,000 applications. Because of the willing and able nature of this position, the 75 candidates were chosen by lottery as required by DHR, IGO and the Federal Monitor.

We have been working with DPS in an effort to support, promote, and invest in local small business participation; the Department is in the process of finalizing term agreement water main bid packages for the 2013, 2014, and 2015 water main construction seasons. To put it a little differently that's 250 miles of water main replacement over the next three years.

In the past, the Department divided these contracts into three geographic areas to match the three operational districts maintained by the Department. By decreasing the size of the three geographic areas and increasing to seven geographic areas, we are creating more opportunities for more contractors to be able to participate in the work. Six bids will be awarded across the City, and one separate for the Central Business District (CBD).

Dividing water main improvement areas into smaller geographies will encourage participation from other general contractors and more importantly, local small business.

In addition, these new term agreements will require contractors to hold job fairs in their geographic areas to promote hiring from the neighborhoods in which they work. Job fairs must be advertised in local papers, and conform to a work plan submitted as part of the bid.

Further, we plan to advance to the contractor 10% of each assignment, to help smaller firms meet some of the upfront costs.

This is a new approach to City procurement practices. The benefits of advancing dollars include better pricing, smaller bond requirements and more opportunity for smaller, local businesses to participate.

We have also increased our contracts for professional services for topographic studies to encourage more participation. These services are the first steps in construction and are vital in determining existing site conditions and utility information provided through the Office of Underground Coordination. Further, we are undertaking a Facility Condition Assessment of our plants and pumping station and we are updating our security assessments so that we can reprioritize our facility needs.

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We worked with the Comptrollers Office to ensure our financial ratings are solid so our plans could move forward. We changed our methodology so that we will be paying for a portion of capital work with revenues, rather than borrowed money.

Our goal is to reform where we can; cut, or amend our approach where we must; and invest where it matters: providing greater opportunities and better services. All of our investments depend on protecting our communities and ensuring a well-run system that continues to provide quality drinking water as well as be able to transmit the waste and stormwater to the MWRDGC.

On the sewer side, we are addressing our aging sewer system with the goal of flood reduction in our neighborhoods. We are replacing 85% more sewers and continuing to line structures and sewer mains. Lining sewers and their structures extends the life by approximately 50 years. Sewer lining is less disruptive to traffic, businesses, bicyclers and pedestrians. Ultimately, it is about making sure waste and stormwater enter the sewers and not our businesses and homes.

Independent of funding we have taken a bottom to top approach to construction planning. We are breaking down silos that impede us or slow the process down and taking a more unified approach to delivering on our Program. We continue to better coordinate with the Chicago Department of Transportation, or CDOT, the Department of Aviation, your offices, CTA, Parks, CPS, Peoples Energy, ComEd, IDOT, CTA, Cook County Highway, PBC, and other sister agencies to re-engineer planning, scheduling and coordination for the department's capital program. We have set deadlines, assisted in the streamlining of water and sewer permit administration and ensured that CDOT manages the schedules, ROW and agency responsibilities. We have utilized GIS technology to map locations, identify conflicts and traffic re-routes to minimize disruption to our customers and your constituents.

Improving processes, using technology and often applying pure common sense, to change the way we do business has resulted in completing more work this year, including water and sewer main replacement, than in any other year in the history of the Department. Monthly coordination meetings have contributed to an accelerated program.

You have heard about, and are our ambassadors to the MeterSave program, touting the benefits of having a meter installed in single-family and two-flat non-metered homes. The Department will continue to promote installation of water meters for all properties. Customers interested in obtaining more information and signing up for MeterSave can do so in 3 ways: a) Call 3-1-1; b) visit our website at www.metersave.org where you can get information, sign-up and schedule the installation; and c) Our customer service number at 312-744-4H20.

The MeterSave program has proven to save water and at the same time save our customers money. The only way to know how much water someone is using is to measure or meter it. We must be good stewards of this great natural resource.

As Commissioner of the Department of Water Management, I pledge to continue to work with all of you to look at the water and sewer related needs of your wards so that we can make the improvements necessary to maintain our quality of life. I am committed as ever to be accessible and to improve communications between our department and you and your staff.

The people of Chicago deserve nothing less. Thank you.

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DEPARTMENT OF WATER MANAGEMENT

